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FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991): UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

Report of the Advisory Committee on Administrative and Budgetary Questions

1. Paragraphs 1 to 30 of the Secretary-General's report (A/47/637/Add.1 and Corr.1) provide the standard information regarding, inter alia, the status of assessed contributions, voluntary contributions, the unencumbered balance, status of reimbursement to troop-contributing States, and a summary statement of the cost estimates for the periods 1 May to 31 October 1993 and 1 November 1993 to 31 October 1994, respectively. The report also provides information on the strengthening of the United Nations Iraq-Kuwait Observation Mission (UNIKOM), which was authorized by the Security Council in its resolution 806 (1993) of 5 February 1993.

2. In paragraph 31, the Secretary-General enumerates the actions to be taken by the General Assembly at its forty-seventh session, in connection with the financing of UNIKOM:

> "(a) The appropriation of the amount of $19,800,000 gross ($18,600,000 net) authorized with the concurrence of the Advisory Committee under the terms of paragraph 8 of General Assembly resolution 47/208 of 22 December 1992, for the maintenance of the Observation Mission for the period from 1 May to 31 October 1993;
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> "(b) The appropriation of the amount of $24,616,100 gross ($24,505,700 net) and the apportionment thereof for the enlargement of UNIKOM for the period from 1 May to 31 October 1993, inclusive of the $4 million authorized by the Advisory Committee;
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> "(c) With regard to the period after 31 October 1993, provision by means of appropriation and/or commitment authorization, as appropriate, of such amounts, should the Security Council decide to continue UNIKOM beyond that date;

"(d) A decision to retain the unencumbered balance of appropriations in the Special Account for UNIKOM in the light of the outstanding assessed contributions;

"(e) A decision that the special arrangements as regards article IV of the Financial Regulations ... be applied to UNIKOM."

As discussed below, the Advisory Committee was informed that the amounts referred to in paragraph 31 (b) of the Secretary-General's report and cited above, have been adjusted downward by $42,200 gross ($36,100 net).

3. The Security Council, by its resolution 806 (1993), decided to extend the terms of reference of UNIKOM. In this connection, the Committee recalls that in paragraph 5 of his report 1/ of 18 January 1993, the Secretary-General stated that should the Security Council decide "that UNIKOM's present mandate does not permit an adequate response to such violations as have occurred and that UNIKOM should be able to prevent and redress them, then UNIKOM would require a capacity to take physical action". The Secretary-General went on to state that it was estimated that three mechanized infantry battalions (in place of the unarmed observers) would be required to perform the functions outlined in paragraph 5 of his report, together with the necessary increase in headquarters and support elements, as enumerated in paragraph 7 of his report.

4. In paragraph 12 of the same report, the Secretary-General noted that a force on the scale suggested would not have the capacity to prevent a significant military incursion and that if the Security Council considered that this risk existed, it would be necessary to make other arrangements for dealing with it.

5. By its resolution 806 (1993), the Security Council approved the report of the Secretary-General 1/ and extended the terms of reference of UNIKOM to include the functions contained in paragraph 5 of that report. The Council also requested the Secretary-General to plan and execute a phased deployment of the strengthening of UNIKOM, taking into account the need for economy and other relevant factors, and to report to the Council on any steps he intended to take following the initial deployment.

6. In his subsequent report of 2 April 1993, 2/ the Secretary-General, recalling the above, stated that, after consulting with members of the Council, he planned "in the first phase to retain the military observers and to reinforce them by one mechanized infantry battalion to be deployed in the northern sector of the DMZ". He also indicated that UNIKOM logistic support elements would be reinforced slightly (para. 10).

7. It is unclear to the Advisory Committee whether the decision to deploy one battalion at this time, in spite of the circumstances described in the report referred to in paragraph 3 above, was dictated by operational circumstances on the ground or by the need for economy. Moreover, there is no indication of the conditions that would prompt the implementation of a second phase of deployment. The Committee believes that information of this nature would, in future, be of assistance to Member States.

8. The strengthening of UNIKOM provides for the deployment of one mechanized infantry battalion comprising 775 troops, all ranks, 15 additional medical personnel, five additional logistic support personnel and seven military observers. The Advisory Committee was informed that 50 additional civilian staff are required instead of the number of 51 indicated in the Secretary-General's report. The decrease of one of the P-4 posts (Political Affairs Officer) requested results in a decrease of $42,200 gross ($36,100 net) in the estimates for the period 1 May to 31 October 1993 in view of reduced requirements relating to international staff salaries, common staff costs, mission subsistence allowance, travel, support account, staff assessment and the bottled water element of the rations calculation.

9. Accordingly, the estimated cost of strengthening UNIKOM for the period 1 May to 31 October 1993 is $24,573,900 gross ($24,469,600 net); the consolidated cost of maintaining UNIKOM for this six-month period is $44,373,900 gross ($43,069,600 net). Annex IV to the Secretary-General's report provides a breakdown of the consolidated cost estimate for the period from 1 May to 31 October 1993; annex V provides supplementary information about the cost estimate for strengthening UNIKOM.

10. As stated in paragraph 5 of annex V, "it is not expected that the infantry battalion will be deployed before 1 August 1993. Costs relating to the infantry and support personnel are therefore calculated for a period of three months, that is, from 1 August to 31 October 1993". In response to inquiries concerning the deployment of the battalion, the Committee was informed that advanced negotiations were ongoing with a contributing country and that 1 August deployment remained a possibility. However, subsequent to the Committee's meeting, the Committee was informed that the negotiations had not materialized and that other contributors were being sought. In the circumstances, representatives of the Secretary-General stated that the arrival of the battalion could not be envisaged before mid-September 1993.

11. The cost estimate provides for 50 additional civilian staff comprising 19 international staff (2 Professional, 13 Field Service and 4 General Service) and 31 additional local staff. As stated above, this total provides for one less P-4 post than indicated in paragraph 26 of annex V. The Advisory Committee notes from annex VIII that the staffing table currently provides for 186 posts, including 90 international staff; the proposed staffing table would amount to 236, including 109 international staff.

12. In response to inquiry, the Committee was informed that as at 31 May 1993, all international staff posts were filled. As stated in paragraph 10 of annex V and as shown in annex IX, the costs of salaries, common staff costs, mission subsistence allowance and staff assessment for the 50 additional staff, which cover the period from 1 August to 31 October 1993, include a 15 percent vacancy factor. In this connection, representatives of the Secretary-General informed the Committee that the mobilization of the additional civilian staff was dependent on the deployment of the battalion; that being the case, the above-mentioned vacancy factor had been included.

13. The Secretary-General's justification for the additional civilian staff requirements is contained in paragraphs 26 to 28 of annex V. In response to inquiry, the Committee was informed that once the Security Council decides on an

increase in military strength, an assessment is made by the mission of the additional support civilian personnel it considers necessary. This is in turn discussed with Headquarters units. The Committee was also informed that the Chief Administrative Officer of a mission has the flexibility to deploy staff within functions as deemed necessary. Thus for example, the distribution of the current complement of 23 Communications staff who are presently based at Umm Qasr, Doha, and Liaison Kuwait (see annex III) can be altered to meet the actual needs of the operation.

14. It was difficult for the Advisory Committee to assess, on the basis of the information before it, whether there exists sufficient basis to approve all of the new posts being requested. As noted above, it is the view of the Committee that requests of such nature should be justified in terms of existing resources, and indications given of, for example, why it was considered necessary to request 13 additional staff (4 Field Service and 9 local level) in the area of Transport as opposed to another number. Noting the Secretary-General's statement that the workload of the Personnel Section will increase in view of the increase in the recruitment of local staff, the Committee queries the necessity, once such staff have been recruited, of retaining the additional posts in the Personnel Section. As indicated in annex VIII, the Secretary-General's estimates for the period 1 November 1993 to 31 October 1994 provide for the full complement of staff now on board and being requested.

15. The Advisory Committee notes from the Secretary-General's report 2/ that UNIKOM's concept of operations is based on a combination of patrol/observation bases, observation points, ground and air patrols, investigation teams and liaison with the parties at all levels (para. 14). The Committee further notes that the demilitarized zone (DMZ) is about 200 kilometres long, to which must be added the Khawr Abd Allah waterway, with a length of about 40 kilometres and that the boundaries of the DMZ, extend 10 kilometres into Iraq and 5 kilometres into Kuwait (paras. 11-12).

16. As stated in paragraph 13 of S/25514, at the end of February 1993, there were a total of 18 patrol/observation bases in the DMZ. The estimates for strengthening UNIKOM provide for the construction and emplacement of eight checkpoints at entry/exit points leading into/out of the DMZ. The estimates for the strengthened UNIKOM also provide for a total of four additional utility helicopters (one light and three medium) which will be used for air observation, logistic support, medical evacuation, command liaison and general utility purposes, and that they "must be available to provide platoon lift capability as a ready reaction force to border incidents" (annex V, para. 58).

17. In this connection, the Committee recalls that in annex VII, paragraph 42 of his report (A/47/637), the Secretary-General reported that six light utility helicopters would be required for the period from 1 November to 31 December 1992 and that for the period from 1 January to 31 October 1993, the number would be reduced to four, including one standby. As also explained therein, the standby helicopter was a free back-up helicopter guaranteeing the 100 per cent availability of the other helicopters. Charges for the standby helicopter would only take effect should there be a need for an additional helicopter. Thus the strengthened mission will have seven helicopters plus one standby.

18. While not objecting to the estimate for additional helicopters, the Advisory Committee, taking into account the above-mentioned concept of operations, trusts that they will be procured in accordance with actual needs on the ground. The Committee also hopes that in future representatives from the military side of the operation will be available to clarify questions the Committee may have in regard to the military requirements for which resources are being requested.

19. An amount of $2.3 million is provided for communications for the strengthened operation, as discussed in paragraphs 72 to 77 of annex V. In keeping with its observation in paragraph 14 above, the Committee believes it would have been useful had the increased requirements been analysed viz what is already available, not merely in dollar amounts as in annex IV, but in terms of the increased military and civilian components. The Committee inquired about the unit cost of some of the equipment being proposed; as mentioned, the Committee intends to look into the whole question of procurement for peace-keeping operations.

20. The estimates for a strengthened UNIKOM provide $203,600 for a variety of miscellaneous equipment, as detailed in paragraph 83 of annex V. Included in that amount is provision for equipment deemed necessary to upgrade the laundry facilities, inherited from the Iraqi Government, in order to handle the increased volume of work that will result from an expansion of UNIKOM. Related to this is the provision for contractual services in respect of laundry and dry cleaning as mentioned in paragraph 91 of annex V.

21. The Advisory Committee discussed these provisions with representatives of the Secretary-General. The Committee was informed that it has been ascertained that it would be more cost-effective to upgrade the Umm Qasr facilities and to arrange for a contractual service to handle the dry cleaning and laundry requirements of the military personnel at this facility instead of having the laundry and dry cleaning done at commercial Kuwaiti rates.

22. The Committee is of the view that an improved presentation in respect of voluntary contributions is necessary and that the impact of such contributions on a fully costed budget is clearly evident. As noted in the Secretary-General's report (A/47/637/Add.1/Corr.1), the Government of Kuwait has agreed in writing to provide 50 percent of the cost of petrol, oil and lubricants required by UNIKOM for operational needs. A request for reimbursement for the period from 1 June 1991 had been submitted and, as at 15 July 1993, remained pending. In response to inquiry, the Committee was informed that the petrol, oil and lubricant requirements of the operation are budgeted in full and that once actual reimbursement has been received for one half of the cost from the Kuwaiti Government, it would be recorded as income. In the opinion of the Advisory Committee, once a written pledge has been received from a Government, it should be reflected accordingly as an offset to the fully costed budget with a consequential impact on the amount to be appropriated and assessed.

23. As stated in paragraph 2 above, the Secretary-General, in view of the outstanding contributions, proposed to retain the unencumbered balance of appropriations in the special account of UNIKOM. He also proposes to extend the special arrangements with respect to article IV of the Financial Regulations of the United Nations, as contained in the annex to General Assembly resolution

45/265 of 17 May 1991, to UNIKOM. The Advisory Committee recommends acceptance of this request.

24. The Secretary-General also requests provision by means of appropriation and/or commitment authorization, as appropriate, of such amounts, should the Security Council decide to continue UNIKOM beyond 31 October 1993. In this connection, the Secretary-General estimates the recurring costs of continuing UNIKOM for the period from 1 November 1993 to 31 October 1994 at $74,852,400 gross ($72,642,900 net). (These figures take into consideration the reduction resulting from the reduced civilian staff requirements (see para. 11 above).)

25. The Committee was informed by representatives of the Secretary-General that the estimate had been prepared on a 12-month basis in order to arrive at a realistic average monthly cost; that is, it was not the Secretary-General's intention that authorization be given for the 12-month period beyond 31 October 1993. Rather, the idea was an attempt to rationalize the submission of reports on peace-keeping operations to the General Assembly.

26. As a consequence, the review of an operation would take place on a yearly basis, on the basis of which an appropriation would be approved for the existing mandate/period of continuation, which in the case of UNIKOM, would be for the period 1 May to 31 October 1993. Commitment authority would be made for the subsequent six-month period, that is, from 1 November to 30 April 1994, but no assessment would take place in respect of mandate periods not yet approved by the Security Council, or, in the case of UNIKOM, prior to a decision by the Council on its continuation beyond a given date. In the spring of 1994, a performance report would be submitted to a resumed session of the Assembly.

27. Representatives of the Secretary-General acknowledged that the Assembly will be in session when the current period of UNIKOM expires. However, in view of the six-week lead time necessary to prepare a report and the strained capacity of the Secretariat, the annualization of the submission, not unlike that which occurs in the case of the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL), has been proposed. Representatives of the Secretary-General also emphasized that should the Security Council decide on changes to the operation which would impact significantly on the estimates, the Committee would be so informed.

28. The Committee discussed this proposal with representatives of the Secretary-General. While not opposed in principle, the Committee is of the view that the matter should be addressed in a more comprehensive manner which would, inter alia, set forth a projected timetable of submissions in respect of all operations. Accordingly, the Committee recommends that the Secretary-General resubmit this proposal in the context of the report on peace-keeping operations requested in its report on the administrative and budgetary aspects of the financing of peace-keeping operations (A/47/990, paras. 37 and 39).

29. The Advisory Committee recommends the appropriation of the amount of $19,800,000 gross ($18,600,000 net) authorized with the concurrence of the Advisory Committee under the terms of paragraph 8 of General Assembly resolution 47/208 of 22 December 1992, for the maintenance of the Observation Mission for the period from 1 May to 31 October 1993. In light of its observations in the preceding paragraphs, and in view of the uncertainty with regard to the

deployment of the mechanized battalion, the Advisory Committee also recommends that the additional appropriation and apportionment for the enlargement of UNIKOM for the period from 1 May to 31 October 1993 should not exceed $20 million gross. The total appropriation and apportionment for the period from 1 May to 31 October 1993 should therefore not exceed $39.8 million gross. Should the Security Council decide to continue UNIKOM beyond October 1993, the Committee, pending its consideration of the above-mentioned report of the Secretary-General, recommends that the Secretary-General submit a brief report to the Assembly outlining the projected requirements for such period and requesting the necessary appropriation.

Notes

1/ S/25123.

2/ S/25514.